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PART-TIME WORK

Current Issue Review

PART-TIME WORK



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ISSUE DEFINITION

Over the past three decades, part-time workers increased from 3.8% of all those employed in Canada in 1953 to 15.6% in 1986. In the last few years, researchers predicted that by the end of this century, over 20% of all those employed in Canada could be part-time workers. In 1987 this percentage fell slightly, to 15.2%, and in 1988, 15.4% of employees worked part-time.

The growth of part-time work was not confined to Canada but was also prevalent in most industrialized countries. In Norway, for example, part-timers account for 28% of all wage earners. This is followed by Sweden (24.3%), the Netherlands (21%), the United Kingdom (18.9%), Japan (15.8%), the United States (14.1%) and about 10% for Austria, Australia, France and Switzerland. These percentages have increased substantially during the last decade. According to a study by the International Labour Organization, some governments are promoting part-time work as a part of their policies for reducing unemployment, especially among the young.

While part-time work was seen by the Royal Commission on the Status of Women in 1970 as a key to women's equality with men, recent studies have referred to such work as a "female and students' job ghetto". In fact, 72% of all part-time workers are women and 88% of part-time workers in their prime working ages (25-54) are women. Compared to full-time employment, part-time work usually offers lower pay rates, fewer fringe benefits, and little job security. While this may not be of great concern to students or older retirees from full-time work, it is of consequence to those who continue to work part-time for longer periods. The inequalities between the wages and benefits of part-time and full-time workers have been publicized only recently since the proportion of

part-time workers has increased and unemployment rates have risen. In the last few years, an increasing number of employees have been forced to accept part-time work because full-time work has not been available. This has led to a demand by unions and women's groups to equalize the rate of pay, benefits and working conditions of full- and part-time workers.

BACKGROUND AND ANALYSIS

A. Definition of Part-Time Work

The analysis of this issue was somewhat hampered by varying definitions of part-time work. While Statistics Canada used to define a part-time worker as one who usually works less than 35 hours a week, in 1975 this was changed to "less than 30 hours". It was also added that the employee should consider himself as part-time, recognizing that some people work fewer hours at what is still considered a full-time job. However, this definition excludes a casual or seasonal worker who works for a few days or weeks at peak times (such as the housewife who works outside the home at Christmas and in the summer but does housework for the rest of the year).

Other studies of part-time work have included these casual or seasonal workers in their analyses, since the nature of their work experience is similar. For example, the Canada Employment and Immigration Advisory Council (CEIAC) used the following definition in its 1981 study of part-time work:

A work schedule other than regular full-time, year-round employment offered by an employer and accepted by an employee.

Statistics Canada does not classify seasonal employees as part-time workers if they worked more than 30 hours in the week in which the survey was done. The 15.2% figure given at the beginning of this paper therefore underestimates the proportion of Canadians who do not have regular full-time jobs.

B. Types of Part-Time Workers

Four categories of part-time workers can be identified based on age and reasons for accepting part-time work. First, students often work part-time while pursuing full-time studies, to help pay for their education and living expenses. In fact 42% of part-time workers are under the age of 25 and most of these are students.

The second category of part-time workers consists of married women with children. Some simply feel that they are able to provide the best care for their children and choose to stay at home. Because of low quality or unavailable day-care facilities, other women are forced to care for their own children. Yet financial need or the need to maintain their work skills may encourage them to seek part-time work which they try to fit around their domestic responsibilities.

The third category of part-time workers cannot find full-time work even though they would prefer it. After increasing every year since 1975, the number of involuntary part-time workers peaked at 516,000 in 1985 before slipping back to 514,000 in 1986 and 485,000 in 1987, according to Statistics Canada. While only 11% of part-time workers would have preferred a full-time job in 1975, the percentage rose to 30% in 1984, before falling to 28% in 1986 and 27% in 1987. Most male part-time workers between the ages of 25 and 54 fall into this category (65% in 1986 and 60% in 1987) and a significant proportion of female part-time workers (29%) of the same ages. It is this category of part-time workers about which unions have been concerned. Since it is cheaper to hire part-time workers, some employers have been accused of augmenting their part-time work force at the expense of overtime for full-time employees or of full-time positions.

The fourth category of part-time workers includes those who simply do not want to work full-time for a variety of reasons. They may have sufficient income, experience health problems or desire more leisure time. Seventy percent of those 55 years and over fit into this category. Some work part-time to supplement their low pensions, while others want to remain active or useful as long as possible. Among this age group, part-time work can be seen as a form of gradual retirement.

In summary, students, older retirees, and married women with children are most likely to see part-time work as desirable. Men in their prime working ages are least likely to be voluntarily working part-time.

C. Conditions of Work

Concern about inequalities between part-time and full-time employment has been expressed in a number of recent documents advising the government on this issue. For one thing, part-time work pays lower hourly wages than full-time work. In 1986, part-time jobs paid an hourly wage of \$8.19, compared to \$10.83 for full-time work. This discrepancy can be attributed to the types of jobs usually available to part-time workers: retail sales, service, clerical and agricultural jobs, and to the higher turnover rate and lower pay which is associated with these jobs.

The fact that part-time workers are also less likely to be unionized, also contributes to their lower wages. While 38% of full-time workers belonged to unions in 1986, only 21% of part-time workers did so. With the exception of teaching and nursing, occupations with the highest rates of unionization consist of mostly male employees. This may be because these occupations are relatively more attractive to male part-time employees or because men are easier to unionize. In some cases, unions have actively worked to prevent part-time workers from joining labour organizations or tried to reduce their participation in the workforce. Some unions have curtailed job opportunities, pay rates, and access to seniority lists. As a result, part-time workers are often the first to be laid off. However, those unions with a majority of part-time or female workers have actively sought to improve the conditions of part-time workers. In fact, there has been a recent growth in unionization among part-time female workers in the service sector of the Canadian economy. Between 1981 and 1986, unionization of these workers increased from 23% to 34%. In business services and consumer services in 1986 the unionization rates of part-time workers were the same as for full-time workers. Growth in unionization among part-time workers is further evidenced by the fact that between 1980 and 1986, white-collar bargaining units representing part-time workers in Ontario increased from being 14% of all white-collar

bargaining units to 30%. The part-time workers in these bargaining units were employed in health and education (public services) and in retail trade (consumer services). Nurses, hospital workers, teachers and unionized retail clerks in supermarkets have made the most progress in achieving equitable treatment for part-time workers. But there remains a distinction between permanent and casual part-time employees, with casual workers denied most benefits.

Employers often view part-time work as a way to increase staffing flexibility. During peak times or on weekends, they can employ part-time workers without increasing their permanent staff or paying overtime. If they hire on a fixed term contract, employers who want to fire can avoid providing adequate reasons and warning as they would be legally required to do in the case of a permanent employee, and can avoid severance pay. Labour unions have argued that employers are hiring part-time workers at the expense of full-time jobs, and even forcing full-time workers to work part-time for lower wages and fewer benefits. Consequently, unions have sometimes fought against the use of part-time work, viewing it as "cheap labour." On the other hand, many students, retirees, and housewives need to earn extra money, but cannot be or do not want to be fully employed. They find that working part-time enables them to fulfill other commitments while contributing to their living expenses.

Forty percent of part-time employees work less than 15 hours a week, which means they are not eligible for unemployment insurance if they lose their jobs. Because part-time work is often temporary and these employees generally lack seniority, lay-offs and high turnover are common occurrences. In fact, less than one third of all part-time jobs in 1981 lasted the full year, which suggests that 2/3 of part-time jobs may be "casual" rather than "permanent." Turnover rates are always the highest in jobs with low skill and seniority, low pay and few benefits, and part-time jobs often fall into this category.

D. The Long-Term Implications of Part-Time Work

While working part-time for a temporary period often results in lower hourly wages and less job security than working full-time, the long-term consequences are even more detrimental. Most part-time jobs do not pay comparable fringe benefits to full-time work. This is especially consequential at the time of retirement when the retiree has no pension or at best, a small one. One reason why women experience such severe poverty in old age is that their sporadic employment records in their prime working years leave them without employer-sponsored pensions or without full Canada Pension Plan benefits in later life. Working in seasonal or part-time low-paying jobs does not enable them to put aside private savings. Since about 25% of female employees work part-time compared to 8% of male employees, the negative consequences of part-time work are most applicable to women.

Women are far more likely than men to be encouraged to accept part-time employment to enable them to maintain their traditional domestic duties. But by accepting this form of work, they are not only disadvantaging themselves financially. They are also reducing the need for an equal division of labour in the family and discouraging the public funding of child-care facilities. Improved child-care facilities and shared housework would probably reduce the number of women who choose to work part-time, given the present inequalities between part-time and full-time work.

From the point of view of the employer, part-time workers mean lower costs, fewer work interruptions and higher productivity. The fact that part-time workers have not always been included in labour codes and union contracts has meant that these workers are easier to fire, do not require overtime for working outside regular office hours, and do not require employer contribution to benefits. Considering this, it would not be surprising if the part-time labour force increased considerably in the next few years. Unions such as CUPE are now trying to improve the pay rates, fringe benefits, work schedules, and rules relating to seniority and overtime pay to protect their growing numbers of members working part-

time. Some unions have seen part-time work as a weapon against organized labour and as disguised unemployment.

The issue of part-time work has been central to some recent strikes, including those against Eaton's, Air Canada, Bank of Commerce VISA operations and the post office. Historically unions have experienced difficulty organizing part-time workers because of higher turnover rates, difficulties in arranging meeting times and part-timers' lower job commitment.

In May 1985, about 8,000 Ontario part-time civil servants were granted wages, benefits and job security similar to full-time workers as a result of an arbitration hearing. Both seasonal and regular part-timers with at least two years on the same job were covered by this ruling.

Educators have recently expressed concern about the negative effects of the demands of part-time work on students. Absenteeism, fatigue, stress and consequent lower academic achievement and less time for reading and organized school activities often result when students work a 20-hour week in addition to a 35-hour school week. Employers sometimes schedule student working hours during class time or so close afterwards that absence from school is a practical necessity. According to the Globe and Mail (7 April 1987), the Ontario government intends to legislate heavier fines for employers who hire students under 16 years old and to strengthen truancy regulations. But these predicted changes will not affect students over 16 years old.

E. Major Studies of Part-Time Work

In 1980, the Canada Employment and Immigration Advisory Council addressed the issues of part-time employment and released its report in March 1981, Elements of a Policy on Part-time Employment. This report predicted the increased use of part-time labour in the economy but acknowledged that part-time work does not enjoy the same kind of social recognition as full-time work. The Council advised that part-time employment should not be expanded at the expense of full-time employment; that the government, employers and employees should all be involved in

promoting job equity between part-time and full-time work; retiring people should be used as consultants; and day-care services should be expanded to allow part-time care as well as full-time care.

The Minister of Labour established a Commission of Inquiry into Part-time Work in February 1982 (the Wallace Commission); it released its report in September 1983. Although there has been no evidence of deliberate discriminatory legislation, an examination of employment standards legislation at both the provincial and federal levels revealed that part-timers have been treated unequally. When these laws were written, part-timers were a smaller percentage of the labour force whose existence had traditionally been ignored. Regular or permanent part-timers have access to some of the legislation, but a seasonal or casual worker does not because certain benefits require an entitlement period (such as annual vacation, maternity leave, and length of notice of termination). Pay for statutory holidays has also been denied to most part-timers, because it is based on how many days during the calendar year preceding the holiday the employee worked. Provincial regulations show considerable diversity as well. In some provinces, certain categories of workers (such as farm workers, domestics, and policemen) are excluded from the hours of work and overtime sections of the Employment Standards Act.

The Commission of Inquiry into Part-time Work recommended that the government amend the Canada Labour Code, Part III (Labour Standards) to equalize the protection, rights and benefits of part-time workers, including seasonal workers who regularly work for the same employer. They also suggested that the government establish a policy of gradual retirement involving part-time work and a partial pension.

In 1983, Julie White completed a study for the Canadian Advisory Council on the Status of Women called Women and Part-Time Work. White emphasized the inequalities between full-time and part-time work, pointing out the latter's variable working hours, insecurity of employment, lower wages and lack of promotional opportunities. The question was raised about whether part-time work is a new disguised form of unemployment when it is forced upon employees through lack of affordable day-care facilities or no available full-time jobs. Despite the fact that many women work

part-time through choice, part-time work may undermine their progress towards equality. It may be regarded as an alternative to state-funded day care and used to undermine pressure to improve child-care services. Part-time work may also reaffirm women's responsibility for domestic work by enabling women to perform all the housework and child-care tasks in the home. But White emphasized that part-time work is a symptom of women's inequality rather than the cause of it.

The Report of the Commission on Equality in Employment (Abella Report) recommended in October 1984 that part-time employees enjoy the same protection, rights and benefits as full-time employees. Benefits should be prorated and include such things as holiday pay, pensions, and eligibility for training or retraining programs.

In a 1985 report by the Canadian Conference of Catholic Bishops, Canada's retail industry (and Eaton's in particular) was criticized for exploiting part-time workers. This report of the Social Affairs Committee noted that part-time retail work is generally done by women who have no union protection and therefore find themselves vulnerable to inadequate working conditions, low wages and arbitrary employment practices.

In the report of the Boyer Committee on equality rights (October 1985), five recommendations dealt with the need to provide equal wages and benefits to part-time and seasonal workers. The Committee suggested a more comprehensive definition of a part-time worker: "... one who works fewer than the normally scheduled weekly or monthly hours of work established for persons doing similar work." It recommended that all federal employment standards legislation and policies be amended to ensure that part-time and seasonal workers receive the same statutory benefits on a pro rata basis as full-time workers. Those who work at least eight hours a week and have worked for an employer for at least one year should contribute to and be eligible for prorated benefits under employer-sponsored pension and insurance plans applicable to full-time workers. Those who work eight hours a week should contribute to and be eligible for Unemployment Insurance (instead of the present 15 hours a week). It further recommended that federal laws and superannuation plans reflect the

particular needs of part-time workers for early pension vesting and portability rights.

As a follow-up to the 1983 Wallace Commission Report, Labour Canada asked Hay Management Consultants to prepare a study of part-time employment in federally regulated industries. The survey was completed in December 1985 but was not released until July 1986. It was based on questionnaires received from 1,950 companies. Including seasonal and temporary workers as well as permanent part-timers in their survey, the consultants found that 16% of employees in federally regulated industries worked part-time. Financial institutions employed the highest percentage at 22%, while mining companies had the lowest percentage at 8%. Of all part-timers in the survey, 45% were permanent, 23% seasonal and 31% temporary or casual. As in other studies, the consultants found that part-timers had substantially fewer opportunities for advancement than full-time employees despite the fact that they were considered by their employers to be as productive or more so than full-timers. Pay rates varied, with blue collar unionized workers receiving the highest pay and office clerical workers the lowest. Although some seasonal workers were paid at higher than full-time wage rates, seasonal and temporary workers were often paid at less, while most permanent part-timers were paid at rates equal to fulltime rates. Benefit details were obtained from 270 companies. Of the three groups of part-timers, permanent part-timers had better benefit coverage than the other two groups though much worse than that of full-time employees. Most seasonal and temporary workers had no employment benefits. Short-term disability insurance was the most common benefit, covering 62% of part-time employees. Pensions were the least common benefit with only 18% covered. While the cost of benefit coverage for full-time workers was 10.01% of full-time wages, the cost of providing prorated benefits to part-timers was calculated to be 5.78% of total part-time wages. Yet few employers in the survey said that benefit prorating was feasible, especially for temporary and seasonal workers. Employers in larger companies were more likely than those in smaller ones to think that prorating was feasible, particularly for permanent part-time employees.

During 1988 and 1989, the Conference Board of Canada surveyed 1,600 work organizations and over 11,000 public and private employees. The intent was to examine work and family dynamics; that is, the impact of family responsibilities on persons at work. The survey also examined the prevalence of family-supportive programs in Canadian work organizations. The survey results reveal that approximately 7% of employees reduced their work time or changed from full-time to part-time work in order to meet the needs of their family. It is interesting that the analysis of the survey findings makes no mention of the gender of the respondents. However, since 72% of all part-time workers are female, it is safe to conclude that the vast majority of survey respondents who indicated changing their job status to part-time were women. Almost 30% of the employers surveyed indicated that they had introduced part-time work with prorated benefits in their organizations in response to the family responsibilities of their employees.

Many mothers choose to work part-time because of lack of child care services, inadequate leave policies and inflexible working hours. The March 1987 report of the Special Committee on Child Care acknowledged the problems of integrating work and family life. The Committee recommended expanding maternity and parental leave provisions and providing tax credits for informal and formal child care. Critics, however, have argued that these recommendations will not create more child care facilities needed by working parents, and will not allow more mothers to work full-time.

In a 1987 study by Geoffrey England on legislation affecting part-time, casual and other "atypical" workers (such as those on a fixed term, workers from an agency and home workers), the differential legal treatment of these workers is outlined. England argues that employment standards legislation and collective bargaining legislation have not placed atypical workers on the same footing as traditional employees. Furthermore, the legal rules of the employment contract treat atypical work in the same way as general contract law treats any other commodity, namely as a form of "free" market exchange between "equal" power wielders. He argues that this legal assumption of "free" exchange is a myth in view of

the overpowering market superiority of the employer. These less beneficial terms and conditions of atypical employment run the risk of being declared unlawful, as possible violations of the Charter of Rights and Freedoms or human rights legislation.

F. The Federal Government as Employer

Although the federal government is the largest employer in Canada, only 1.1% of its employees are part-time workers. Until 1980 there was no specific government policy to encourage or regulate the use of part-timers, and most part-timers worked in the Post Office or as cleaners in Public Works. In December 1980, Treasury Board announced a new policy designed to facilitate the hiring of part-time employees. Parts of the policy have been implemented, but part-timers are still excluded from the Superannuation Plan. Permanent part-time employees were given prorated benefits in September 1982. But the Public Service defines a part-time employee as one who is appointed for longer than six months, and who normally works more than one third but less than normal hours. As with many definitions of part-time work, the majority of those working less than full-time are excluded. This policy establishes two classes of part-time workers - those who work more than 12.5 hours a week and those who work less or on a seasonal or short-term contract. Only the first class of part-timers are protected by legislation.

PARLIAMENTARY ACTION

The conclusions of the Wallace Commission (1983) led to some recent legislative changes. The Canada Labour Code was amended and became law in June 1984, making some minor changes affecting part-time workers. These included shortening the eligibility period for maternity leave and granting some part-timers holiday pay. However this legislation covers only those protected by the Canada Labour Code and not all those who work less than full-time. Proposals to amend federal pension laws to include some part-time public servants were mentioned in the 1985 budget. As of 1 January 1987, part-time workers under federal jurisdiction are eligible

for membership in an employer's pension plan after two years of continuous service. This change is a result of Bill C-90 which was passed in June 1986. However, most part-time workers (especially those working fewer than 20 hours per week) are still excluded from pensions, medical and dental plans, and disability insurance.

CHRONOLOGY

- 1953 - 3.8% of employees were part-time workers who had little legislative protection.
- 1965 - Director of the Women's Bureau, Labour Canada identified problems with part-time work and proposed solutions at an International Labour Conference in Geneva.
- 1970 - Royal Commission on the Status of Women recommended that the government undertake a study of the feasibility of making greater use of part-time workers in the Canadian economy.
- 1981 - CUPW agreement limited the hours and restricted the seniority of part-time postal workers.
- September 1982 - Permanent part-time employees of the Public Service were given prorated benefits.
- April 1983 - Wallace Commission (Part-time Work in Canada) published its report.
- June 1984 - Bill C-34 amended the Canada Labour Code and provided some benefits to some part-timers.
- October 1984 - Abella Report recommended equal protection, rights and benefits for part-time and full-time workers.
- October 1985 - Boyer Report recommended equal protection, rights and benefits for part-time and full-time workers and a broader definition of a part-time worker.
- June 1986 - Bill C-90 extended pension plan eligibility to part-time workers under federal jurisdiction.
- July 1986 - Labour Canada released new study on part-time employment in federally regulated industries.

1987 - The percentage of all employees in Canada who were working part-time fell, for the first time in many years, to 15.2%.

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